Exhibit A

CLASS ACTION SETTLEMENT AGREEMENT

This Class Action Settlement Agreement, including all exhibits thereto (the "Settlement Agreement"), dated December 22, 2010, is entered into by and among Sandra Wilson and Synthia Lisi (the "Named Plaintiffs"), for themselves and on behalf of the Settlement Class[1] on the one hand, and the Settling Defendants on the other.

1. RECITALS

1.1 The litigation captioned *Wilson et al. v. Venture Financial Group, Inc. et al.*, Case No. 09-cv-05768, was filed on December 16, 2009 [Dkt. #1], and is pending in the U.S. District Court for the Western District of Washington before the Honorable Benjamin Settle.

1.2 In the Complaint filed on December 16, 2009, the Named Plaintiffs alleged breaches of Defendants' duties under the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1001, *et seq*. ("ERISA").

1.3 The Named Plaintiffs brought this action on behalf of a proposed class of all persons, other than Defendants, who were participants in or beneficiaries of the ESOP and/or KSOP (as defined herein) at any time between January 1, 2008 and September 11, 2009.

1.4 On March 15, 2010, Defendants moved to Dismiss Plaintiffs' complaint. [Dkt. #28].

1.5 On May 18, 2010, the Court issued an Order granting in part and denying in part Defendants' motion to dismiss (the "Order"). [Dkt. #44]. The Court's Order permitted to proceed that portion of Named Plaintiffs' claims for damages arising from the acquisition of Company stock after January 1, 2008, but dismissed Named Plaintiffs' claims for damages arising from Company stock that was held in the Plans prior to January 1, 2008.

1.6 The Settling Defendants have denied and continue to deny the allegations in the

[1] Capitalized terms have the meanings defined below.

Complaint and all other charges of wrongdoing, violation of law, fault, liability, or damage arising out of any conduct, statements, acts, or omissions that were or could be alleged in this litigation. The Settling Defendants believe that they acted properly at all times and that the allegations in the Complaint are without merit.

1.7 The Settling Parties mediated this case on September 21, 2010 in a formal mediation session conducted by Judge Terry Lukens (retired), and engaged in additional negotiations with the assistance of Judge Lukens following the mediation session.

1.8 The Named Plaintiffs and the Settling Defendants wish to promptly and fully resolve and settle, with finality, all of the claims that were or could have been asserted by the Named Plaintiffs, for themselves and on behalf of the Settlement Class, against the Settling Defendants in this action.

NOW THEREFORE, as a result of settlement negotiations amongst counsel for the Named Plaintiffs and counsel for the Settling Defendants, the Settling Parties have agreed to settle this matter on the terms and conditions set forth below:

2. DEFINITIONS

As used in this Settlement Agreement, capitalized terms not otherwise defined have the meanings provided below:

2.1. "Action" shall mean the litigation captioned *Wilson, et al. v. Venture Financial Group, Inc., et al.*, Case No. 09-cv-05768, pending in the U.S. District Court for the Western District of Washington before the Honorable Benjamin Settle.

2.2. "Business Day" shall mean any day other than Saturday, Sunday, or any other day when banking institutions in Washington State are required or authorized to close by law or executive order.

2.3. "Class Counsel" shall mean Hagens Berman Sobol Shapiro LLP.

2.4. "Class Notice" shall mean the Notice of Settlement of Class Action approved by the Court in the Preliminary Approval Order in a form and substance substantially similar to Exhibit 1 hereto.

2.5. "Class Period" shall mean the period from January 1, 2008 through September 11, 2009, both dates inclusive.

2.6. "Class Settlement Amount" shall mean the total amount of seven-hundred-fifty thousand dollars ($750,000).

2.7. "Company" shall mean Venture Financial Group, Inc.

2.8. "Company Stock" shall mean Venture Financial Group, Inc. stock.

2.9. "Complaint" shall mean the Class Action Complaint for Breaches of the Employee Retirement Income Security Act filed in this case on December 16, 2009.

2.10. "Defendants" shall mean Venture Financial Group, Inc., Ken F. Parsons, Sr., James F. Arneson, Keith W. Brewe, Lowell E. Bridges, Linda Buckner, Patrick L. Martin, Larry J. Schorno, Jewell C. Manspeaker, A. Richard Panowicz, Catherine J. Mosby, Sandra L. Sager, and Patricia A. Graves.

2.11. "District Court" shall mean the United States District Court for the Western District of Washington.

2.12. "Effective Date" shall mean the date, established pursuant to Section 10.1, on which all of the conditions of the Settlement Agreement have been fully satisfied and the Settlement has become final as provided in Section 4.

2.13. "ESOP" shall mean the Venture Financial Group, Inc. Employee Stock Purchase Plan and Trust, previously known as the Venture Financial Group, Inc. Employee Stock Ownership Plan.

2.14. "Fairness Hearing" shall mean the hearing in which the District Court determines whether to approve the Settlement as provided in Section 3.9.

2.15. "Final Approval Order" shall mean the order from the District Court as described in Section 3.9 below.

2.16. "Final Order" shall mean a) with respect to any judgment or order as to which the time to appeal, petition for certiorari, move for reconsideration or rehearing, or seek any other form of judicial review ("Review Proceeding") has expired and as to which no Review Proceeding shall then be pending; or, b) if a Review Proceeding has been sought, such judgment or order shall have been affirmed by the highest court to which the judgment or order was or could be appealed, or certiorari shall have been denied or re-argument or rehearing shall have been denied or resulted in no modification of the judgment or order, and the time to take any further Review Proceeding shall have expired. Notwithstanding the foregoing, the Final Order shall be deemed Final without regard to whether (i) the District Court has entered an order regarding the award of legal fees and expenses; (ii) any order referred to in (i) above, if entered, has become a Final Order; or (iii) any order referred to in (i) is reversed or modified on appeal.

2.17. "Internet Notice" shall mean the Class Notice on Class Counsel's website, www.hbsslaw.com.

2.18. "KSOP" shall mean the Venture Financial Group, Inc. KSOP, previously known as the Venture Financial Group, Inc. KSOP (Employee Stock Purchase Plan with 401(k) Provisions).

2.19. "Insurers" shall mean St. Paul Mercury Insurance Company and XL America Companies.

2.20. "Named Plaintiffs" shall mean the following persons, as plaintiffs on behalf of themselves and on behalf of all members of the Settlement Class: Sandra Wilson, Synthia Lisi, and each of their Successors-in-Interest. Named Plaintiffs intend that all rights and obligations that are binding on Named Plaintiffs under this Settlement Agreement, including each and every covenant, agreement, and warranty, shall also be binding on all members of the Settlement Class.

2.21. "Net Settlement Amount" shall mean the balance of the Settlement Fund after payment of (a) all taxes incurred on the Settlement Fund's income as discussed in Section 9.3, in the event that any are incurred; (b) the cost of administration of the settlement, including the cost of providing Class Notice and implementing the Plan of Allocation; (c) any award of fees and expenses to Class Counsel as discussed in Section 10.3; and (d) any award of Service Awards to the Named Plaintiffs as discussed in Section 10.4.

2.22. "Person" shall mean an individual, partnership, corporation, governmental entity or any other form of entity or organization.

2.23. "Plans" shall mean the ESOP and KSOP as defined in Sections 2.13 and 2.18, respectively.

2.24. "Preliminary Approval Motion" shall mean a motion filed by Class Counsel as described in Section 3 below.

2.25. "Preliminary Approval Order" shall mean the order from the District Court as described in Section 3 below.

2.26. "Releasees" shall mean the Settling Defendants and his or her respective agents, Insurers, co-insurers, attorneys, accountants, actuaries, advisors, auditors, banks, professional advisors, Representatives, partners, and co-venturers, spouses, marital communities as well as the predecessors, successors and assigns of all such persons or entities. Ken F. Parsons, Sr. shall *not* be a Releasee, and this Settlement shall not be construed to release any claims against Ken F. Parsons, Sr.

2.27. "Released Claims" shall have the meaning ascribed to it in Section 5.2 of this Settlement

Agreement.

2.28. "Representatives" shall mean representatives, attorneys, agents, directors, officers, employees, insurers and reinsurers.

2.29. "Service Awards" shall mean the amount requested by Class Counsel of not more than $4,000 for each of the Named Plaintiffs, which Class Counsel asserts is in recognition of the benefits each Named Plaintiff has generated for the Settlement Class by coming forward and devoting time and knowledge to the prosecution of the Action. Any such award shall be subject to the approval of the Court as discussed in Section 10.4.

2.30. "Settlement" or "Settlement Agreement" shall mean the agreement manifested in this document entered into by and among the Named Plaintiffs and Settling Defendants.

2.31. "Settlement Class" shall mean all Persons who were participants in or beneficiaries of the ESOP or KSOP and whose individual ESOP and KSOP accounts included investments in Company Stock during the Class Period; provided, however, that Defendants and their heirs, Successors-in-Interest, or assigns, to the extent such Persons acquire an interest held by Defendants, are excluded from the Settlement Class.

2.32. "Settling Defendants" shall mean James F. Arneson, Keith W. Brewe, Lowell E. Bridges, Linda Buckner, Patrick L. Martin, Larry J. Schorno, Jewell C. Manspeaker, A. Richard Panowicz, Catherine J. Mosby, Sandra L. Sager, Patricia A. Graves and Venture Financial Group, Inc.

2.33. "Settling Parties" shall mean Named Plaintiffs and Settling Defendants.

2.34. "Successor-in-Interest" shall mean a Person's estate, legal representatives, heirs, successors or assigns.

3. JUDICIAL APPROVAL PROCESS

3.1. Motion for Preliminary Approval of Settlement and Class Notice. By December 22, 2010, Class Counsel will prepare and file a Preliminary Approval Motion with the District Court seeking a Preliminary Approval Order which order shall (a) preliminarily approve this Settlement Agreement; (b) direct the time and manner of the Class Notice to be served upon the Settlement Class; and (c) find that: the proposed form of Class Notice fairly and adequately (i) describes the terms and effect of this Settlement Agreement, (ii) provides notice to the Settlement Class of the time and place of the Fairness Hearing, and (iii) describes how the recipients of the Class Notice may object to the settlement; and (iv) the proposed manner of serving the Class Notice to the members of the Settlement Class is the best notice practicable under the circumstances.

3.2. The Preliminary Approval Motion shall be drafted by Class Counsel.

3.3. Class Certification. The Preliminary Approval Motion will ask that the Settlement Class be conditionally certified in connection with the Settlement.

3.4. Appropriateness of Class Certification. The Named Plaintiffs have asserted that the Action should be certified as a class action as defined in the Federal Rules of Civil Procedure. For settlement purposes only, and to effectuate this Settlement Agreement, the Settling Defendants do not object to such certification on the terms set forth in this Settlement Agreement.

3.5. Motion for Class Certification. Class Counsel shall move the District Court for class certification of the Settlement Class under Fed. R. Civ. P. 23(b)(1) as a non-opt-out class, with the Named Plaintiffs as the Settlement Class representatives, and Class Counsel as counsel for the Settlement Class.

3.6. Defendants' Reservation of Rights. The Settling Parties agree that, if the District Court does not enter the Final Approval Order or the Final Approval Order does not become a Final Order, then the agreements and stipulations in this Settlement Agreement concerning the class definition, class period, or class certification shall not be used as evidence or argument to support class certification, class definition, or any class period, and the Settling Defendants will retain all rights to oppose class certification, including certification of a class identical to that provided for in this Settlement Agreement for any other purpose.

3.7. Issuance of Class Notice. On the timetable and in the manner set by the District Court in its Preliminary Approval Order, Class Counsel shall cause the Class Notice to be transmitted and published, respectively, in the form and manner approved by the District Court in the Preliminary Approval Order.

3.8. Internet Notice. On the timetable and in the manner set by the District Court in its Preliminary Approval Order, Class Counsel shall cause the Internet Notice to be published on www.hbsslaw.com.

3.9. The Fairness Hearing. On or after the date set by the District Court for the Fairness Hearing, the District Court will determine whether to enter the Final Approval Order in substantially the form attached hereto as Exhibit 3, which shall (a) approve this Settlement Agreement, (b) dismiss, with prejudice, each claim asserted by the Plaintiffs and derivatively the Plans in the Complaint or otherwise, (c) permanently enjoin the members of the Settlement Class from bringing any Released Claim against any Releasee, either derivatively or on behalf of themselves, or through any Person purporting to act on their behalf or purporting to assert a Released Claim in any forum, action or proceeding of any kind, and (d) find that this Settlement Agreement and the settlement embodied in it are either (i) not prohibited transactions under ERISA or (ii) exempt from ERISA's prohibited transaction provisions pursuant to applicable law or rules. At the Fairness Hearing, Class Counsel will urge the District Court to enter the

Final Approval Order. At that time, Class Counsel will also request that the District Court enter orders approving the proposed Plan of Allocation, awarding attorneys' fees and expenses to Class Counsel, and awarding Service Awards to the Named Plaintiffs. The Settling Parties agree to support entry of the Final Approval Order as contemplated by this Section. The Settling Defendants will urge the District Court to enter the Final Approval Order, but will take no position concerning Class Counsel's request for attorneys' fees and expenses or Class Counsel's request for Service Awards to the Named Plaintiffs. The Settling Parties agree that they will reasonably cooperate with one another in obtaining the Final Approval Order.

4. CONDITIONS TO THE SETTLEMENT

The Settlement provided for in this Settlement Agreement is contingent upon each of the following conditions having been satisfied or waived:

4.1. Preliminary Approval. The District Court's entry of the Preliminary Approval Order attached hereto as Exhibit 2;

4.2. Class Certification. The District Court's certification of the Settlement Class as a non-opt-out class pursuant to Fed. R. Civ. P. 23(b)(1) and/or (b)(2);

4.3. Issuance of Class Notice and Internet Notice. Class Counsel's causing the Class Notice to be served in accordance with the Preliminary Approval Order;

4.4. Final Approval Order. The District Court's issuance of the Final Approval Order attached hereto as Exhibit 3, and that order becoming a Final Order;

4.5. Dismissal of Claims. The Complaint and all Causes of Action and all Released Claims shall have been dismissed against all Defendants with prejudice pursuant to the Final Approval Order. In the event any party or other Person opposes dismissal, Class Counsel shall use their best efforts to secure the prompt and final dismissal of the Action with respect to all named Defendants consistent with the terms of this Settlement Agreement;

4.6. Funding of the Settlement Fund. The Settling Defendants shall have caused the Class Settlement Amount to be deposited at the time prescribed by, and otherwise as provided for, in Section 9.2.

5. RELEASES

5.1. Releases of the Releasees. Effective when the Final Approval Order becomes a Final Order, each Named Plaintiff, for and on behalf of themselves and each member of the Settlement Class and any other Person that claims or might claim through or on behalf of or for the benefit of the foregoing, irrevocably, absolutely and unconditionally, fully, finally, and forever release, acquit and discharge the Releasees from Released Claims (as defined in Paragraph 5.2) that Named Plaintiffs or the Settlement Class directly, indirectly, derivatively, or in any other capacity ever had, now have or hereafter may have, including, without limitation, the claims asserted in the Complaint or otherwise based upon, related to, arising out of or in connection with any of the claims asserted in the Complaint. Without limiting the foregoing, on and effective as of the Effective Date, each Plaintiff Releasor shall be deemed to have irrevocably, absolutely and unconditionally waived any and all rights to (a) receive with regard to the Released Claims any consideration in excess of that portion of the Net Settlement Amount that shall be allocated and payable to or for the benefit of such Plaintiff Releasor in accordance with the terms and provisions of the Plan of Allocation, and (b) seek relief against the Releasees in the Action or with respect to the claims asserted or that could have been asserted in the Action beyond that provided in this Settlement Agreement.

5.2. Released Claims. Subject to Section 5.1, the Released Claims shall be any and all claims, demands, rights, liabilities, defenses or causes of action of any and every kind, character or nature whatsoever (including claims for any and all losses, damages, unjust enrichment, attorneys' fees, disgorgement of fees, litigation costs, injunction, declaration, contribution, indemnification or any other type or nature of legal or equitable relief), whether accrued or not, whether already acquired or acquired in the future, whether known or unknown, in law or equity, that have been, could have been, or could be brought by the Named Plaintiffs, by or on behalf of the Plans, and/or by any member of the Settlement Class, and arise out of or are related in any way to the acts, omissions, facts, matters, transactions, or occurrences that have been alleged or referred to at any time in the Action (whether or not dismissed), including but not limited to, claims based on: (a) breach of ERISA fiduciary duties to the Plans, to the Named Plaintiffs, to the Settlement Class, and to the other participants and beneficiaries of the Plans; (b) claims for negligence, gross negligence, breach of fiduciary duty or care and/or breach of loyalty, fraud, or violations of any state or federal statutes, rules or regulations arising out of, based upon, or relating to the ESOP or KSOP during the Class Period; (c) the establishment, maintenance, administration, investment, or disbursement of funds held in the escrow account referenced in Paragraph 9.2; (d) failure to provide information to the Plans' fiduciaries or the Plans' participants and beneficiaries regarding Company Stock or any transaction or event referred to directly or indirectly in the Complaint; (e) failure to appoint, remove and/or adequately monitor the Plans' fiduciaries; (f) claims that would be barred by principles of *res judicata* had the claims asserted in the Action been fully litigated and resulted in a final judgment or order; and (g) the method and manner of the distribution of the Settlement Fund. The Settling Parties stipulate and agree that, by the terms of the Final Approval Order, each member of the Settlement Class shall have and be deemed to have waived and relinquished, to the fullest extent permitted by law, any and all provisions, rights and benefits conferred by Cal. Civ. Code § 1542 or any federal, state, or foreign law, rule, regulation or common law doctrine that is similar, equivalent, or identical to, or which has the effect of, § 1542, which provides:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his settlement with the debtor.

Notwithstanding the provisions of § 1542 and any similar provisions, rights and benefits conferred by any law, rule, regulation or common law doctrine of California or in any federal, state or foreign jurisdiction, the Settling Parties understand and agree that the releases to be given pursuant to this Settlement Agreement shall include Released Claims that are not known or suspected to exist at the time such releases are given. No claims or potential claims against Defendant Ken F. Parsons, Sr. are Released Claims under this Settlement, and this Settlement shall not be construed to release any claims or potential claims against Defendant Ken F. Parsons, Sr.

5.3. Defendants' Releases of Named Plaintiffs, the Settlement Class and Class Counsel. Effective when the Final Approval Order becomes a Final Order, the Settling Defendants absolutely and unconditionally release and forever discharge each other, the Named Plaintiffs, the Settlement Class, and Class Counsel from any and all claims relating to the institution or prosecution or settlement of this Action, as well as any and all claims for contribution, indemnification, or any other claims relating to payment of the Class Settlement Amount.

6. COVENANTS

6.1. Cooperation. The Settling Parties shall reasonably cooperate with each other to effectuate this Settlement and to implement the Class Notice program and the Plan of Allocation.

6.2. Covenants Not to Sue. Named Plaintiffs covenant and agree on their own behalf, and on behalf of the Settlement Class: (a) not to file against any Releasee any claim based on, related to or arising from any Released Claim; and (b) that the foregoing covenants and agreements shall be a complete defense to any such claims against any of the respective Releasees.

6.3. Publicity. Neither the Settling Parties nor their counsel shall issue a press release relating to the Settlement or otherwise publicly comment on the Settlement. Class Counsel agrees to limit all website references to the Action to the Class Notice, case filings (including motions and Court orders) and updates on the progress of the proposed Settlement.

7. REPRESENTATIONS AND WARRANTIES

7.1. Representations and Warranties. The Settling Parties represent and warrant that:

7.1.1. They are voluntarily entering into this Settlement Agreement as a result of arms-length negotiations among their counsel;

7.1.2. In executing this Settlement Agreement they are relying solely upon their own judgment, belief and knowledge, and the advice and recommendations of their own independently selected counsel, concerning the nature, extent and duration of their rights and claims and regarding all matters which relate in any way to this Settlement Agreement, and that they have not been influenced to any extent whatsoever in executing this Settlement Agreement by any representations, statements or omissions by any Settling Party or by any Person representing any Settling Party other than those expressly contained in this Settlement Agreement;

7.1.3. They assume the risk of mistake as to facts or law;

7.1.4. They have carefully read this Settlement Agreement, and this Settlement Agreement is signed freely by each individual executing it; and

7.1.5. They have made whatever investigation of the facts pertaining to the settlement and this Settlement Agreement as they deem necessary.

7.2. Named Plaintiffs Representations and Warranties. The Named Plaintiffs jointly and severally represent and warrant:

7.2.1. That none of the claims that were asserted or could have been asserted in the Action have been assigned, encumbered or in any manner transferred in whole or in part; and

7.2.2. That they were participants in the Plans during the Class Period and are members of the Settlement Class.

8. NO ADMISSION OF LIABILITY

8.1 The Settling Parties understand and agree that this Settlement Agreement embodies a compromise of disputed claims, and nothing in this Settlement Agreement, including the furnishing of consideration for this Settlement Agreement, shall be deemed to constitute any finding of wrongdoing by any of the Settling Defendants, or give rise to any inference of wrongdoing or admission of wrongdoing or liability in this or any other proceeding. This Settlement Agreement and the consideration provided in connection with it are made in compromise of disputed claims solely for the purpose of avoiding continued litigation costs and are not admissions of liability of any kind, whether legal or factual. The Settling Defendants have denied, and continue to deny, that they have committed any violation of ERISA or other laws and have agreed hereto solely for the purpose of avoiding the cost and inefficiency inherent in further litigation of this Action. Neither the facts nor the terms of this Settlement Agreement shall be offered or received in evidence in any action or proceeding for any purpose, except (i) in an action or proceeding to enforce this Settlement Agreement or arising out of relating to the Preliminary Approval Order or the Final Approval Order, or (ii) in an action or proceeding where the release of the Released Claims may serve as a bar to recovery.

9. COSTS OF NOTICE; THE SETTLEMENT FUND; DELIVERIES INTO THE SETTLEMENT FUND

9.1. Costs of Notice. The costs of Class Notice will be advanced by Class Counsel and paid from the Settlement Fund.

9.2. Settlement Fund. Within thirty (30) days after entry of the Preliminary Approval Order, the Settling Defendants shall cause the Insurer(s) to pay the Class Settlement Amount into an interest-bearing escrow account maintained by Hagens Berman Sobol Shapiro LLP; provided, however, that no disbursements shall be made from the Settlement Fund (including any payments of Class Counsel's fees and expenses, Service Awards to Named Plaintiffs, or otherwise) until all provisions set forth in Section 4 have been satisfied. The Settlement Fund shall be invested only in United States Treasury Bills or other comparable risk-free investments. The resulting Settlement Fund shall be considered a common fund created as a result of the Action, the interest on which will be added to the Class Settlement Amount. Under no circumstances will the Settling Defendants or Insurer(s) be required to pay, as part of the settlement of the Action, any amount greater than the Class Settlement Amount. Upon payment of the Settlement Amount by the Insurer(s), neither the Insurers nor the Settling Defendants shall have any obligation to make any further payments to or on behalf of the Settlement Fund, or on behalf of the Settlement or its implementation.

9.3. Taxes and Expenses of the Settlement Fund. The Settlement Fund shall bear interest for the benefit of the Settlement Class. Hagens Berman Sobol Shapiro LLP shall structure and manage the Settlement Fund to qualify as a Qualified Settlement Fund under Section 468B of the Internal Revenue Code and Treasury regulations promulgated thereunder.

The Settlement Fund will pay any federal, state or local taxes that may apply to the income of the Settlement Fund. Class Counsel shall arrange for the preparation and filing of all required tax reports and tax returns including any information returns and payee statements required to be filed or furnished by the Settlement Fund and for the payment from the Settlement Fund of any taxes owed. All taxes on the income of the Settlement Fund, all taxes with respect to distributions from the Settlement Fund, and all tax-related expenses incurred in connection with the taxation of and distributions from the Settlement Fund shall be paid out of the Settlement Fund.

9.4. The Settling Parties acknowledge and agree that, except for relaying the Class Settlement Amount to Hagens Berman Sobol Shapiro LLP within thirty (30) days after entry of the Preliminary Approval Order, the Settling Defendants and the Insurers shall have no liability for any expenses the Settlement Fund may incur, any taxes that may be payable by the Settlement Fund, the investment and management of the Settlement Fund, or any distribution therefrom. Neither Settling Defendants nor the Insurers shall indemnify or bear any other responsibility for the Settlement Fund once the consideration is relayed to Class Counsel. Class Counsel shall be fully responsible for overseeing the distribution of the proceeds to the Settlement Class, including all tax issues relating thereto, and the Settling Defendants shall bear no responsibility with respect to the distribution of the Settlement proceeds.

10. EFFECTIVE DATE OF SETTLEMENT; DISTRIBUTION OF THE SETTLEMENT FUND

10.1. Effective Date. This Settlement Agreement shall be effective on and as of the first Business Day when each and every condition in Section 4 has been fully satisfied or waived. Any disputes as to whether the Effective Date has occurred shall be resolved by the District Court upon the request of any of the Settling Parties.

10.2. Attorneys' Fees and Expenses. Pursuant to the common fund doctrine, Class Counsel may apply to the Court for an award of attorneys' fees and for reimbursement of expenses, to be paid solely from the Settlement Fund. Class Counsel's request for attorneys' fees and for reimbursement of expenses shall not exceed 25% of the Class Settlement Amount.

10.3. Class Counsel's Fee Application. No later than 35 days before the Fairness Hearing, Class Counsel shall submit an application to the District Court for an award of attorneys' fees for legal services rendered, plus reimbursement of their expenses incurred in connection with the Action or implementation of this Settlement Agreement. Class Counsel may request that the District Court award interest on such an award to accrue at a rate no higher than the rate at which interest accrues on the Settlement Fund; any such award of interest shall be payable solely from the Settlement Fund. Following the Effective Date, Class Counsel may receive a disbursement from the Settlement Fund in the amounts awarded by the District Court for attorneys' fees and expenses.

10.3.1. The Settling Defendants will take no position with respect to any application for attorneys' fees and costs to be paid out of the Settlement Fund, provided that Class Counsel does not seek to recover more than 25% of the Class Settlement Amount for attorneys' fees.

10.3.2. The effectiveness of this settlement is not contingent upon the District Court awarding Class Counsel's attorneys' fees or expenses, and the settlement shall become final when all of the conditions in Section 4 are satisfied or waived, regardless of the amount of any attorneys' fees or expenses approved by the District Court. Apart from their responsibility, if any, for causing the Class Settlement Amount to be paid to the Settlement Fund, in no event shall any Releasee be responsible in any way for the payment of any of Class Counsel's attorneys' fees or expenses, regardless of the amount of any attorneys' fees or expenses approved by the District Court, and regardless of any termination of this Settlement Agreement.

10.4. Service Awards for Named Plaintiffs. Class Counsel shall request Service Awards for each of the Named Plaintiffs.

10.4.1. No later than 35 days before the Fairness Hearing, Class Counsel shall apply to the Court for Service Awards to the Named Plaintiffs from the Settlement Fund in amounts not to exceed $4,000 for each Named Plaintiff.

10.4.2. The Settling Defendants will take no position with respect to any application for Service Awards to be paid out of the Settlement Fund.

10.4.3. The effectiveness of this Settlement Agreement is not contingent upon the Court awarding Service Awards to the Named Plaintiffs, and the settlement shall become final when all of the conditions in Section 4 are satisfied or waived, regardless of whether any Service Awards are approved by the District Court. Apart from their responsibility, if any, for causing the Class Settlement Amount to be paid to the Settlement Fund, in no event shall any Releasee be responsible in any way for the payment of any Service Award, regardless of the amount of any such awards approved by the District Court, and regardless of any termination of this Settlement Agreement.

10.5. Plan of Allocation. Concurrently with the filing of the Preliminary Approval Motion, Class Counsel will propose the Plan of Allocation to the District Court, which the District Court may approve in its discretion after consideration at the Fairness Hearing. The Plan of Allocation is attached as Exhibit B to the Volk Declaration in support of Plaintiffs' Motion for Preliminary Approval.

10.5.1. The costs of implementing the Plan of Allocation shall be paid from the Settlement Fund without further order of the District Court.

10.5.2. The Plan of Allocation is a matter separate from this Settlement Agreement and the settlement embodied in it, and no decision by the District Court concerning the Plan of Allocation shall affect the validity of this Settlement Agreement or finality of the Settlement.

11. TERMINATION OF THE SETTLEMENT AGREEMENT

11.1. Termination. This Settlement Agreement may automatically terminate or be terminated by the Settling Parties, and thereupon become null and void, in the following circumstances:

11.1.1. If the District Court declines to enter the Final Approval Order, then this Settlement Agreement shall automatically terminate and become null and void;

11.1.2. If the Preliminary Approval Order or the Final Approval Order does not materially satisfy the terms and conditions of this Settlement Agreement so as to materially and adversely affect any Settling Party's rights hereunder, that Party may, within ten (10) Business Days after the District Court's entry of the order, give the other Settling Parties written notice of his, her or its objections. If, within fifteen (15) Business Days after the giving of such written notice or, within fifteen (15) Business Days after the date of the District Court's order following a motion for reconsideration of any such ruling, whichever is later, the Settling Parties have not agreed in writing to proceed with all or part of the Settlement Agreement pursuant to the order as entered by the District Court, then this Settlement Agreement shall automatically terminate, and thereupon become null and void.

11.1.3. If the Final Approval Order entered by the District Court is reversed or modified on appeal in a manner that materially and adversely affects a Party's rights, and if within thirty-one (31) days after that reversal or modification becomes a Final Order the Settling Parties have not agreed in writing to proceed with all or part of the Settlement Agreement in light of that ruling, then this Settlement Agreement shall automatically terminate and become null and void; and

11.1.4. If the Settlement Agreement does not become final as set forth in Section 4, and the Settling Parties have not agreed in writing to proceed with all or part of the Settlement Agreement, then this Settlement Agreement shall automatically terminate and become null and void.

11.2. Consequences of Termination of the Settlement Agreement. If the Settlement Agreement is terminated and rendered void for any reason specified in Section 11.1, the following shall occur:

11.2.1. The Action shall for all purposes revert to its status as of November 22, 2010; except that the Settling Parties shall jointly submit a revised scheduling order for the District Court's consideration within thirty (30) days after the date of the termination of the Settlement that, among other things, provides additional time for discovery;

11.2.2. All releases given under or pursuant to Section 5 of this Settlement Agreement shall be void; none of the terms of the Settlement Agreement shall be effective or enforceable, except the terms set forth in Section 11; neither the fact nor the terms of this Settlement Agreement shall be offered or received in evidence in the Action, or in any other action or proceeding for any purpose, except in an action or proceeding arising under this Settlement Agreement;

11.2.3. Class Counsel shall within thirty (30) days after the date of termination of the Settlement cause the return of the entire Settlement Fund to the Insurer(s), less any taxes and/or expenses paid pursuant to Section 9.3 of this Settlement Agreement, including any interest earned thereon.

12. MISCELLANEOUS PROVISIONS

12.1. Governing Law. This Settlement Agreement shall be governed by the laws of the State of Washington without giving effect to the conflict of laws or choice of law provisions thereof, except to the extent that the law of the United States governs any matter set forth herein.

12.2. Severability. The provisions of this Settlement Agreement are not severable.

12.3. Amendment. The Settlement Agreement may be modified, amended, or supplemented only by written agreement signed by or on behalf of all Settling Parties. If such modification, amendment or supplement is material, it may be effectuated only by written agreement signed on behalf of all Parties and only with the approval of the District Court if executed after the entry of the Final Approval Order.

12.4. Waiver. The provisions of this Settlement Agreement may be waived only by an instrument in writing executed by the waiving party. The waiver by any Party of any breach of this Settlement Agreement shall not be deemed to be or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, of this Settlement Agreement.

12.5. Construction. None of the Settling Parties shall be considered to be the drafter of this Settlement Agreement for the purpose of any statute, case law or rule of construction that would or might cause any provision to be construed against the drafter.

12.6. Further Assurances. Each of the Settling Parties agrees, without further consideration, and as part of finalizing the settlement, that they will in good faith execute and deliver such other documents and take such other actions as may be reasonably necessary to effectuate this Settlement Agreement.

12.7. Survival. Except as set forth in Section 11, all representations, warranties and covenants set forth in this Settlement Agreement shall be deemed continuing.

12.8. Notices. Any notice, demand or other communication under this Settlement Agreement (other than the Class Notice, Internet Notice or other notices given at the direction of the District Court) shall be in writing and shall be deemed duly given upon receipt if it is addressed to each of the intended recipients as set forth below and personally delivered, sent by registered or certified mail (postage prepaid), sent by email, or delivered by reputable express overnight courier:

IF TO NAMED PLAINTIFFS:

Andrew M. Volk
Genessa Stout
HAGENS BERMAN SOBOL SHAPIRO LLP
1918 Eighth Avenue, Suite 3300
Seattle, WA 98101
Telephone: (206) 623-7292
Email: andrew@hbsslaw.com
genessa@hbsslaw.com

IF TO SETTLING DEFENDANTS:

Nicole A. Diller
S. Bradley Perkins
MORGAN LEWIS & BOCKIUS LLP
One Market, Spear Street Tower
San Francisco, CA 94105
Telephone: (415) 442-1000
Email: ndiller@morganlewis.com
bperkins@morganlewis.com

With a copy to:

Gregory C. Braden
MORGAN LEWIS & BOCKIUS LLP
1111 Pennsylvania Avenue, N.W.
Washington D.C. 20004
Telephone: (202) 739-3000
Email: gbraden@morganlewis.com

12.9. Change of Address: Any Settling Party may change the address at which it is to receive notice by written notice delivered to the other Settling Parties in the manner described above.

12.10. Entire Agreement. This Settlement Agreement contains the entire agreement among the Settling Parties relating to this settlement. It specifically supersedes any terms or agreements that were previously agreed upon orally or in writing by any of the Settling Parties including, without limitation, the memorandum of understanding executed on November 22, 2010 by the Named Plaintiffs and Settling Defendants.

12.11. Counterparts. This Settlement Agreement may be executed by exchange of faxed or emailed executed signature pages, and any signature transmitted by facsimile or email for the purpose of executing this Settlement Agreement shall be deemed an original signature for purposes of this Settlement Agreement. This Settlement Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute the same instrument.

12.12. Binding Effect. This Settlement Agreement binds and inures to the benefit of the Settling Parties, their assigns, heirs, administrators, executors and successors.

IN WITNESS WHEREOF, the Settling Parties have executed this Settlement Agreement on the dates set forth below.

FOR NAMED PLAINTIFFS

DATED: 12/22/10

HAGENS BERMAN SOBOL SHAPIRO LLP

By: ______________________________
Steve W. Berman, WSBA #12536
Andrew M. Volk, WSBA #27639
Genessa Stout, WSBA #38410
1918 Eighth Avenue, Suite 3300
Seattle, Washington 98101
Tel: (206) 623-7292
Fax: (206) 623-0594
Email: steve@hbsslaw.com
andrew@hbsslaw.com
genessa@hbsslaw.com

On Behalf of Plaintiffs and the Proposed Settlement Class

NAMED PLAINTIFFS

DATED: 12/16/10

____
Sandra Wilson

DATED: 12/16/2010

____
Synthia Lisi

FOR SETTLING DEFENDANTS

DATED:

MORGAN LEWIS & BOCKIUS LLP

By: ______________________________
Gregory C. Braden, (*pro hac vice*)
Morgan Lewis & Bockius LLP

FOR NAMED PLAINTIFFS

DATED:

HAGENS BERMAN SOBOL SHAPIRO LLP

By:______________________________

Steve W. Berman, WSBA #12536
Andrew M. Volk, WSBA #27639
Genessa Stout, WSBA #38410
1918 Eighth Avenue, Suite 3300
Seattle, Washington 98101
Tel: (206) 623-7292
Fax: (206) 623-0594
Email: steve@hbsslaw.com
andrew@hbsslaw.com
genessa@hbsslaw.com

On Behalf of Plaintiffs and the Proposed Settlement Class

NAMED PLAINTIFFS

DATED:

____
Sandra Wilson

DATED:

____
Synthia Lisi

FOR SETTLING DEFENDANTS

DATED:

MORGAN LEWIS & BOCKIUS LLP

By: Gregory C. Braden / SBP (by permission)

Gregory C. Braden, (*pro hac vice*)
Morgan Lewis & Bockius LLP

1111 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Tel: (202) 739-3000
Fax: (202) 739-3001
Email: gbraden@morganlewis.com

Nicole A. Diller (*pro hac vice*)
S. Bradley Perkins (*pro hac vice*)
One Market, Spear Street Tower
San Francisco, California 94105
Tel.: (415) 442-1000
Fax: (415) 442-1001
Email: ndiller@morganlewis.com
bperkins@morganlewis.com

On Behalf of Defendants James F. Arneson, Keith W. Brewe, Lowell E. Bridges, Linda Buckner, Patrick L. Martin, Larry J. Schorno, Jewell C. Manspeaker, A. Richard Panowicz, Catherine J. Mosby, Sandra L. Sager, Patricia A. Graves, and Venture Financial Group, Inc.

SETTLING DEFENDANTS

DATED: 12/22/2010

____
James F. Arneson

DATED:

____
Keith W. Brewe

DATED:

____
Lowell E. Bridges

DATED:

____
Linda Buckner

DATED:

1111 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Tel: (202) 739-3000
Fax: (202) 739-3001
Email: gbraden@morganlewis.com

Nicole A. Diller (*pro hac vice*)
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One Market, Spear Street Tower
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Email: ndiller@morganlewis.com
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SETTLING DEFENDANTS

DATED:

____
James F. Arneson

DATED: 12/17/2010

____
Keith W. Brewe

DATED:

____
Lowell E. Bridges

DATED:

____
Linda Buckner

DATED:

1111 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Tel: (202) 739-3000
Fax: (202) 739-3001
Email: gbraden@morganlewis.com

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SETTLING DEFENDANTS

DATED:

____
James F. Arneson

DATED:

____
Keith W. Brewe

DATED: 12-20-10

Lowell E. Bridges
____
Lowell E. Bridges

DATED: ~~12-20-10~~ LEB

____
Linda Buckner

DATED:

1111 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Tel: (202) 739-3000
Fax: (202) 739-3001
Email: gbraden@morganlewis.com

Nicole A. Diller (*pro hac vice*)
S. Bradley Perkins (*pro hac vice*)
One Market, Spear Street Tower
San Francisco, California 94105
Tel.: (415) 442-1000
Fax: (415) 442-1001
Email: ndiller@morganlewis.com
bperkins@morganlewis.com

On Behalf of Defendants James F. Arneson, Keith W. Brewe, Lowell E. Bridges, Linda Buckner, Patrick L. Martin, Larry J. Schorno, Jewell C. Manspeaker, A. Richard Panowicz, Catherine J. Mosby, Sandra L. Sager, Patricia A. Graves

SETTLING DEFENDANTS

DATED: December 17, 2010

____
James F. Arneson

DATED:

____
Keith W. Brewe

DATED:

____
Lowell E. Bridges

DATED:

Linda Buckner
____
Linda Buckner

DATED:

DATED:

Patrick L. Martin

DATED:

Larry J. Schorno

DATED:

Jewell C. Manspeaker

DATED:

A. Richard Panowicz

DATED:

Catherine J. Mosby

DATED:

Sandra L. Sager

DATED:

Patricia A. Graves

DB2/22101553.1

To Brad Perkins

Patrick L. Martin

DATED:

Larry J. Schorno

DATED:

Jewell C. Manspeaker

DATED:

A. Richard Panowicz

DATED:

Catherine J. Mosby

DATED:

Sandra L. Sager

DATED:

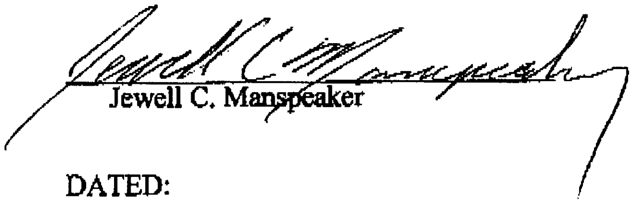
Patricia A. Graves

Patrick L. Martin

DATED:

Larry J. Schorno

DATED:



Jewell C. Manspeaker

DATED:

A. Richard Panowicz

DATED:

Catherine J. Mosby

DATED:

Sandra L. Sager

DATED:

Patricia A. Graves

FOR SETTLING DEFENDANTS DATED:
MORGAN LEWIS & BOCKIUS LLP
By:________________________ Gregory C. Braden, (pro hac vice) Morgan Lewis & ockius LLP 1111 Pennsylvania Avenue, N.W. Washington, D.C. 20004 Tel:

(202) 739-3000 Fax: (202) 739-3001 Email: gbraden@morganlewis.com Nicole A. Diller (pro hac vice)S. Bradley Perkins (pro hac vice)One Market, Spear Street TowerSan Francisco, California 94105Tel.: (415) 442-1000Fax:

2-1001Email: ndiller@morganlewis.com bperkins@morganlewis.com On Behalf of Defendants James F. Arneson, Keith W. Brewe, Lowell E. Bridges, Linda Buckner, Patrick L. Martin, Larry J. Schorno, Jewell C. Manspeaker, A.

Richard Panowicz, Catherine J. Mosby, Sandra L. Sager, Patricia A. Graves SETTLING DEFENDANTS DATED:

____________________ James F. Arneson DATED:

____________________ Keith W. Brewe DATED: _____

____________________ Lowell E. Bridges DATED:

____________________ Linda Buckner DATED:

____________________ Patrick L. Martin DATED:

____________________ Larry J. Schorno DATED:

____________________ Jewell C. Manspeaker DATED:

A. Richard Panowicz 12/17/2010 A. Richard Panowicz DATED:

____________________ Catherine J. Mosby DATED: __________

Patrick L. Martin

DATED:

Larry J. Schorno

DATED:

Jewell C. Manspeaker

DATED:

A. Richard Panowicz

DATED:

Catherine J. Mosby

12/19/2010

DATED:

Sandra L. Sager

DATED:

Patricia A. Graves

DB2/22101553.1

Patrick L. Martin

DATED:

Larry J. Schorno

DATED:

Jewell C. Manspeaker

DATED:

A. Richard Panowicz
DATED:

Catherine J. Mosby

DATED: 12/17/2010

Sandra L. Sager

DATED:

Patricia A. Graves

DB2/22101553.1

____
Patrick L. Martin

DATED:

____
Larry J. Schorno

DATED:

____
Jewell C. Manspeaker

DATED:

____
A. Richard Panowicz
DATED:

____
Catherine J. Mosby

DATED:

____
Sandra L. Sager

DATED:

____
Patricia A. Graves

DB2/22101553.1

DATED: 12/22/2010

VENTURE FINANCIAL GROUP, INC.

BY: ______________________
James F. Arneson, Director

Exhibit 1

UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF WASHINGTON
AT TACOMA

SANDI WILSON and SYNTHIA LISI, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, v. VENTURE FINANCIAL GROUP, INC., KEN F. PARSONS, SR., JAMES F. ARNESON, KEITH W. BREWE, LOWELL E. BRIDGES, LINDA BUCKNER, PATRICK L. MARTIN, LARRY J. SCHORNO, JEWELL C. MANSPEAKER, A. RICHARD PANOWICZ, CATHERINE J. MOSBY, SANDRA L. SAGER, and PATRICIA A. GRAVES, Defendants.	No. 09-cv-05768 BHS

NOTICE OF PROPOSED SETTLEMENT OF ERISA CLASS ACTION LITIGATION, SETTLEMENT FAIRNESS HEARING, AND MOTION FOR ATTORNTYS' FEES, REIMBURSEMENT OF EXPENSES AND PROPOSED NAMED PLAINTIFFS' SERVICE AWARDS

Your legal rights might be affected if you:
Were a participant in or beneficiary of the Venture Financial Group, Inc. Employee Stock Purchase Plan and Trust and/or the Venture Financial Group, Inc. KSOP (collectively the "Plans") at any time between January 1, 2008 and September 11, 2009 both dates inclusive, and your individual account in the Plans included investment in Venture Financial Group, Inc. ("VFGI" or "Company") stock during that period (collectively, such participants and beneficiaries, other than Defendants, are referred to in this Notice as the "Settlement Class").

PLEASE READ THIS NOTICE CAREFULLY. A FEDERAL COURT AUTHORIZED THIS NOTICE. THIS IS NOT A SOLICITATION. YOU HAVE NOT BEEN SUED.

This notice advises you of a proposed settlement of a class action lawsuit brought by Sandra Wilson and Synthia Lisi (collectively, "Named Plaintiffs") on behalf of themselves, the Plans (referred to above), and as representatives of the Settlement Class. Named Plaintiffs and the Settling Defendants (James F. Arneson, Keith W. Brewe, Lowell E. Bridges, Linda Buckner, Patrick L. Martin, Larry J. Schorno, Jewell C. Manspeaker, A. Richard Panowicz, Catherine J. Mosby, Sandra L. Sager, Patricia A. Graves and Venture Financial Group, Inc.) are referred to as the "Settling Parties." Defendant Kenneth Parsons had declined to participate in the settlement described herein. The lawsuit is referred to as the "Action." Other capitalized terms used in this notice and not defined in it are defined in the Settlement Agreement.

The United States District Court for the Western District of Washington ("District Court") has preliminarily approved the settlement and has scheduled a hearing to evaluate the fairness and adequacy of the settlement. At the hearing, the Court will consider Named Plaintiffs' requests for final approval of the settlement, for class certification, for approval of a proposed plan of allocation, for an award of attorneys' fees and costs, and for service awards to Named Plaintiffs. The hearing has been scheduled for _________, 2011, at ___.m. in Courtroom ___, of the United States District Court for the Western District of Washington, 1717 Pacific Avenue, Tacoma, Washington, 98402.

The terms of the settlement are contained in the Class Action Settlement Agreement ("Settlement Agreement"), a copy of which is available at www.hbsslaw.com, or by contacting Plaintiffs' Class Counsel: Andrew Volk or Genessa Stout, Hagens Berman Sobol Shapiro LLP, 1918 Eighth Avenue, Suite 3300, Seattle, Washington 98101. You can also call a toll-free phone number, (888) 381-2889, if you have questions or comments. Plaintiffs' Class Counsel may also be contacted via email at genessa@hbsslaw.com. Please do not contact the District Court or Defendants' counsel. They will not be able to answer your questions.

PLEASE READ THIS NOTICE CAREFULLY AND COMPLETELY. IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS, THE SETTLEMENT WILL AFFECT YOUR RIGHTS. YOU ARE NOT BEING SUED. YOU DO NOT HAVE TO APPEAR IN COURT, AND YOU DO NOT HAVE TO HIRE AN ATTORNEY IN THIS CASE. IF YOU ARE IN FAVOR OF THE SETTLEMENT, YOU NEED NOT DO ANYTHING. IF YOU DISAPPROVE, YOU MAY OBJECT TO THE SETTLEMENT OR THE REQUEST FOR ATTORNEYS' FEES PURSUANT TO THE PROCEDURES DESCRIBED BELOW.

ACTIONS YOU MAY TAKE IN THE SETTLEMENT	
NO ACTION IS NECESSARY TO RECEIVE PAYMENT.	If the settlement is approved and you are a member of the Settlement Class, you do not need to do anything in order to receive a payment. The amount of your individual recovery will be calculated as part of the implementation of the settlement. You will have an opportunity to elect whether to roll your individual recovery into a qualified retirement plan or individual retirement account OR to receive a check for your share of the settlement, which will be taxed according to the federal tax code. **If you did not receive this Notice through the mail and you believe you should have, please contact Plaintiffs' Class Counsel to insure that your current address is entered into the database that will be used to distribute money from the settlement.**
YOU CAN OBJECT (NO LATER THAN _____ ____, 2011).	If you wish to object to any part of the settlement, you can write to the District Court and the lawyers identified below and explain why you do not like the settlement.
YOU CAN GO TO THE HEARING ON _____ ____, 2011.	If you have submitted a written objection to the District Court and the lawyers identified below, you can ask to speak in Court about the fairness of the settlement.

WHAT THIS NOTICE CONTAINS

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This lawsuit asserts that Defendants breached fiduciary duties they owed to participants in the Plans. Defendants dispute the allegations of the complaint and have vigorously defended the litigation. Relevant documents filed with the District Court are available at www.hbsslaw.com.

SUMMARY OF SETTLEMENT

A Settlement Fund will be established consisting of $750,000 in cash paid by Defendants' insurer. The Net Settlement Amount, which will consist of the Settlement Fund minus certain amounts described in the Settlement Agreement, including District Court-approved attorneys' fees and expenses and Service Awards, will be allocated among the Settlement Class in accordance with the Plan of Allocation to be approved by the District Court. (See Section 7 below for details about the Plan of Allocation).

The Settlement Class consists of all persons who were participants in or beneficiaries of the Plans at any time between January 1, 2008 and September 11, 2009, both dates inclusive, and whose individual accounts in either or both Plans included investment in Company stock; provided, however, that Defendants and their heirs, Successors-in-Interest, or assigns, to the extent they acquire an interest held by Defendants, are excluded from the Settlement Class.

As with any lawsuit, the Settling Parties would face an uncertain outcome if the Action were not settled. Continued litigation of the Action could result in a judgment greater or less than the recovery under the Settlement Agreement, or in no recovery at all. This litigation has been hotly contested. Named Plaintiffs and the Settling Defendants have disagreed about whether the Settling Defendants did anything wrong, and they do not agree on the amount that would be recoverable even if Plaintiffs were to win at trial. The Settling Defendants, among other things: (1) have denied, and continue to deny, the material allegations of the lawsuit; (2) have denied, and continue to deny, any wrongdoing or liability whatsoever; (3) believe that they acted at all times reasonably, prudently and lawfully with respect to the Plans, its participants and beneficiaries, and the Settlement Class and believe that they would prevail if trial were held on the claims; (4) would assert certain other defenses if the settlement is not consummated; and (5) are entering into the settlement solely to avoid the continued cost and disruption of litigation. For their part, the Settling Plaintiffs believe that serious breaches of fiduciary duty occurred, and are confident that they would ultimately prevail at trial and/or on appeal; however, given the dwindling insurance coverage they believe that any such victory might well be illusory as they would be unable to collect on a judgment in their favor.

Plaintiffs' Class Counsel will ask the District Court for an order awarding them fees not in excess of 25% of the amount recovered in the settlement, plus reimbursement of expenses. Named Plaintiffs will share in the allocation of the money paid to the Plan on the same basis and to the same extent as all other members of the Class, except that, in addition, Named Plaintiffs will apply to the District Court for a Service Award of up to $4,000 each. Any service award granted to Named Plaintiffs by the District Court will be payable from the proceeds of the Settlement Fund.

If the settlement becomes final, the Named Plaintiffs will dismiss their claims against all Defendants, even those that are not participating in the settlement. The Named Plainitffs are compelled to do so in order to effectuate the settlement.

BASIC INFORMATION

1. Why did I get this notice?

Either you or someone in your family may have been a participant in or beneficiary of the Plans and may have invested a portion of the funds in either Plan account in Company stock during the Class Period (between January 1, 2008 and September 11, 2009, both dates inclusive). The Court has directed that this notice be sent to you because, as a potential member of the Settlement Class, you have a right to know about the proposed settlement before the District Court decides whether to approve it. If the District Courts approves the settlement, the net amount of the Settlement Fund will be allocated among the Settlement Class according to a Plan of Allocation, and the Settling Defendants and related people and companies will be released from all Released Claims, as set forth in the Settlement Agreement.

This notice explains the Action, the settlement, your legal rights, what benefits are available, who is eligible for them, and how you may receive your portion of the benefits. A hearing ("Fairness Hearing") will be held by the District Court to consider the fairness, reasonableness and adequacy of the proposed settlement and to consider the application of Plaintiffs' Class Counsel for attorneys' fees and reimbursement of litigation expenses as well as an application for service awards to Named Plaintiffs.

The Fairness Hearing will be held at _:___ _.m. on ____ __, 2011 before the Hon. Benjamin H. Settle in the United States District Court for the Western District of Washington, 1717 Pacific Avenue, Tacoma, Washington, to determine:

(a) Whether the settlement should be approved as fair, reasonable, and adequate;
(b) Whether the lawsuit should be dismissed with prejudice pursuant to the terms of the settlement;
(c) Whether this Notice and the way it was disseminated constituted proper notice and met all applicable legal requirements;
(d) Whether the Settlement Class should be certified for the purposes of settlement only and whether Plaintiffs' Class Counsel should be appointed as Class Counsel pursuant to Rule 23(g);
(e) Whether the application for attorneys' fees and expenses filed by Plaintiffs' Class Counsel should be approved; and
(f) Whether the application for service awards for Named Plaintiffs should be approved.

If the District Court approves the settlement, payment to the Settlement Class will be made after all related appeals, if any, are favorably resolved. It is impossible to know whether there will be any appeal, and resolving any appeal can take time, generally more than a year. Please be patient.

2. What is the lawsuit about? What has happened so far?

Named Plaintiffs allege that Defendants were fiduciaries of the Plans and violated fiduciary duties under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") by allowing the Plans to invest in Company stock when it allegedly was an unsuitable and imprudent investment for the Plans. Named Plaintiffs further allege that Defendants violated ERISA by failing to provide Plan participants with complete and accurate information about Company stock, by failing to monitor the performance of other fiduciaries, or otherwise prevent or remedy breaches of duty by other fiduciaries. Plaintiffs sought to recover from Defendants losses to the Plan allegedly caused by Defendants' alleged misconduct.

Defendants deny that they have any liability to the Plan or its participants or beneficiaries. If the litigation were to continue, Defendants would raise numerous defenses to liability, including the following:

- They were not fiduciaries of the Plan, or, if they were fiduciaries, their fiduciary duties did not extend to the matters at issue in the Action;
- To the extent they were fiduciaries as to the matters at issue in the Action, the unprecedented global financial crisis that caused the Bank's regulators to conclude that it needed to be closed was unforeseeable and, in fact, unforseen by economists and financial experts. Accordingly, they complied with all fiduciary duties;
- Even if they failed to comply with one or more of their ERISA fiduciary duties, any breach of fiduciary duty did not cause the losses alleged by Named Plaintiffs;

- There was no public market for the sale of Company stock so Defendants could not have sold the stock from the Plans even if they had wanted to; and
- The claims Named Plaintiffs assert are not permitted under ERISA.

Plaintiffs' Class Counsel have conducted an extensive investigation of VFGI and of the alleged losses suffered by the Plans as a result of the breaches of fiduciary duty alleged in the Action. Through that investigation and through discovery of additional information in the Action, Plaintiffs' Class Counsel have obtained and reviewed many documents, including documents and materials governing the Plans, communications with Plan participants, internal Company documents regarding the Plans, VFGI's Securities and Exchange Commission filings, press releases, public statements, news articles and other publications. Class Counsel have conducted a thorough review and analysis of these materials and confirmed that the settlement is fair, reasonable and adequate and in the best interest of the Settlement Class.

On March 15, 2010, Defendants moved to dismiss Plaintiffs' complaint. On May 18, 2010, the District Court issued an order granting in part and denying in part Defendants' motion to dismiss. The Court dismissed claims that Defendants should have sold stock acquired by the Plans before January 1, 2008, which had the effect of dismissing over eighty percent of the potential recovery on the Plaintiffs' claims. A copy of that order is available at www.hbsslaw.com.

This settlement is the product of intense, arm's-length negotiations between Plaintiffs' Class Counsel and the Settling Defendants' Counsel, including a mediation before a well-respected neutral mediator, during which the terms of the settlement were extensively debated and negotiated.

3. Why is this case a class action?

In a class action, one or more plaintiffs, called "named plaintiffs," sue on behalf of people who have similar claims. Plaintiffs contend that all of the individuals on whose behalf Named Plaintiffs in the Action are suing are members of a "class" of certain participants and former participants in the Plans.

4. Why is there a settlement?

In reaching a settlement, the Settling Parties have avoided the cost, time and risk associated with a trial. As with any litigation, Named Plaintiffs would face an uncertain outcome if this case proceeded, including the risk of losing at trial. On the one hand, pursuing the case against Defendants could result in a judgment offering relief greater than this settlement. On the other hand, continuing the case against Defendants could result in a judgment for less money than Named Plaintiffs have obtained in this settlement, or even in no recovery at all. Based on these risks and an evaluation of the particular risks presented by this case, Named Plaintiffs and Plaintiffs' Class Counsel believe the settlement is in the best interests of all Settlement Class members. The Settling Defendants seek to complete the settlement solely for the purpose of avoiding the cost and inefficiency inherent in further litigation.

5. How do I know whether I am part of the Settlement Class?

The District Court has preliminarily certified this Action as a class action. The Settlement Class consists of all persons who were participants in or beneficiaries of either or both of the Plans at any time between January 1, 2008 and September 11, 2009 both dates inclusive, and whose individual Plan accounts included investment in Company stock; provided, however, that Defendants and their heirs, Successors-in-Interest, or assigns, to the extent such persons acquire an interest held by Defendants, are excluded from the Settlement Class.

If you are a member of the Settlement Class, your share of the Net Settlement Amount, if any, will be determined by the District Court-approved Plan of Allocation, described in Section 7 below.

6. What does the settlement provide?

The Settlement Agreement provides for the payment of $750,000 in cash, which will be deposited into the Settlement Fund. The Net Settlement Amount (including interest, but after payment of certain amounts as described in the Settlement Agreement, including District Court-approved attorneys' fees and Named Plaintiff service awards, taxes and other costs related to the administration of the Settlement Fund) will be paid to the members of the Settlement Class according to a Plan of Allocation. Members of the Settlement Class can elect whether to place their share of the settlement into an individual retirement account or qualified retirement plan OR to receive a check for their share of the settlement taxed according to the federal tax code. Disbursement of the Net Settlement Amount to the Settlement

Class will occur once the settlement has become final.

In exchange for the settlement payment and other consideration, all Settlement Class members and anyone claiming through them will fully release the Settling Defendants and related persons and companies, as well as the insurer from the Released Claims, and will be barred from bringing any Released Claim against any Releasee. The specific Releasees are identified in the Settlement Agreement; generally they are the Settling Defendants and certain affiliated or otherwise related persons and entities. The Released Claims, also defined in the Settlement Agreement, generally include all claims asserted in the Action, as well as any claims that could have been asserted in any forum by or on behalf of Settlement Class members which arise out of or are based on the allegations, transactions, facts, matters or occurrences, representations or omissions out of which the claims in the Action arise. This means that Settlement Class members will not have the right to sue the Releasees for any such claims if the settlement is approved.

7. How much will I get?

On December 22, 2010, Class Counsel submitted a detailed Plan of Allocation to the District Court for approval at or after the Fairness Hearing. The Plan of Allocation, which may be obtained at www.hbsslaw.com, or by contacting Class Counsel, describes how the Class Settlement Amount will be paid into the Plan and how the Net Settlement Amount will be distributed to Settlement Class members. In general terms, the Plan of Allocation will provide that each Settlement Class member's share of the Net Settlement Amount will be calculated as follows:

Each member of the Settlement Class will receive a recovery of his or her pro rata share of the Net Settlement Amount. The pro rata share due to each member will depend on the total number of Company shares each member held in his or her KSOP and ESOP account on September 11, 2009, as compared to the total number of shares held by the Plans.

Settlement Class Members whose Individual Recovery is less than $50 will receive no money from the settlement. The recovery otherwise allocable to those Settlement Class Members shall be reallocated among the other Settlement Class Members.

8. How can I get my portion of the recovery?

You do not need to file a claim. If you are a Settlement Class member entitled to a share of the Net Settlement Amount, you will be able to elect whether you wish your Individual Recovery to be deposited into a qualified retirement account OR whether you wish to receive a check for your Individual Recovery taxed according to the federal tax code.

9. When can I expect to receive my payment?

Payment is conditioned on several things, including the District Court's approval of the settlement and that approval becoming a Final Order and no longer subject to any appeals. Depending on the court process, distribution could take several months or more than a year; please be patient.

10. Can I exclude myself from the settlement?

No. As a Settlement Class member, you will be bound by any judgments or orders that are entered in the Action for all claims that were asserted in the Action or otherwise included in the release under the settlement. Although you cannot opt out of the settlement, you can object to the settlement and ask the Court not to approve it. See Answer to Question No. 13, below.

The above description of the settlement is only a summary. The actual Settlement Agreement (including its exhibits) may be obtained at www.hbsslaw.com or by contacting Plaintiffs' Class Counsel.

THE LAWYERS REPRESENTING YOU

11. Do I have a lawyer in the case?

Yes. Hagens Berman Sobol Shapiro LLP is Class Counsel for Named Plaintiffs, the Plan, and the Settlement Class. You will not be charged directly by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

12. How will the lawyers be paid?

Plaintiffs' Class Counsel will apply for an award of attorneys' fees and expenses. The application for attorneys' fees will not exceed 25% of the Settlement Fund. Any award of fees and expenses will be paid from the Settlement Fund prior to allocation and payment to the Settlement Class. The written application for fees and expenses, together with the application for service awards to Named Plaintiffs, will be filed by __________, and the District Court will consider this application at the Fairness Hearing. A copy of the application will be available www.hbsslaw.com on that date.

To date, Plaintiffs' Class Counsel has not received any payment for their services in prosecuting this Action on behalf of the Settlement Class, nor has counsel been reimbursed for their out-of-pocket expenses. The fee requested by Plaintiffs' Class Counsel would compensate them for their efforts in achieving the settlement for the benefit of the Settlement Class and for their risk in undertaking this representation on a contingent basis. The Court will determine the actual amount of any award.

OBJECTIONS

13. How do I tell the District Court if I don't like the settlement?

Any member of the Settlement Class may appear at the Fairness Hearing and explain why they think the settlement of the Action should not be approved, why attorneys' fees and expenses should not be awarded, in whole or in part, why Named Plaintiffs should not be awarded a service award, in whole or in part, or why the Plan of Allocation should not be approved. But, absent leave of the Court, no member of the Settlement Class can contest these matters unless they file with the District Court a timely written objection, providing all reasons for the objection.

To object, you must send a letter or other written statement saying that you object to the settlement, the attorneys' fee award, the service awards and/or the Plan of Allocation in *Wilson et al. v. Venture Financial Group, Inc. et al.* Case No. 09-cv-05768 BHS. Be sure to include your name, address, telephone number, signature, and a full explanation of all reasons you object to the settlement. **Your written objection must be filed with the District Court, and sent to the lawyers listed below by ______, 2011:**

File with the Clerk of the Court:

Clerk of the Court
United States District Court for Western District of Washington
1717 Pacific Avenue, Washington 98402
Re: *Wilson et al. v. Venture Financial Group, Inc.* 09-cv-05768 BHS

And, by the same date, send copies of all such papers to each of the following:

PLAINTIFFS' CLASS COUNSEL:

Andrew Volk
Genessa Stout
Hagens Berman Sobol Shapiro LLP
1918 Eighth Avenue, Suite 3300
Seattle, Washington 98101
Re: *Wilson et al. v. Venture Financial Group, Inc.* 09-cv-05768 BHS

DEFENDANTS' COUNSEL:

Nicole A. Diller
S. Bradley Perkins
Morgan Lewis & Bockius LLP
One Market, Spear Street Tower
San Francisco, CA 94105
Re: *Wilson et al. v. Venture Financial Group, Inc.* 09-cv-05768 BHS

UNLESS OTHERWISE ORDERED BY THE DISTRICT COURT, ANY SETTLEMENT CLASS MEMBER WHO DOES NOT OBJECT IN THE MANNER DESCRIBED ABOVE WILL BE DEEMED TO HAVE WAIVED ANY OBJECTION AND SHALL BE FOREVER FORECLOSED FROM OBJECTING TO THE PROPOSED SETTLEMENT AND THE APPLICATION FOR ATTORNEYS' FEES AND EXPENSES AND SERVICE AWARDS.

THE DISTRICT COURT'S FAIRNESS HEARING

14. When and where will the District Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing at ___ .m. on ______________, at the United States District Court for the Western District of Washington, 1717 Pacific Avenue, Tacoma, Washington 98402. **YOU ARE NOT REQUIRED TO ATTEND THE FAIRNESS HEARING.**

At the hearing, the District Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the District Court will consider them. After the Fairness Hearing, the District Court will decide whether to approve the settlement and certify the Settlement Class. The District Court will also consider the motions for attorneys' fees and expenses and service awards to Named Plaintiffs, as well as the proposed Plan of Allocation.

15. Do I have to come to the hearing?

No, but you are welcome to come at your own expense. If you send an objection, you do not have to come to District Court to talk about it. As long as you mailed your written objection on time, it will be before the District Court when the District Court considers whether to approve the settlement. You may also have your own lawyer attend the Fairness Hearing at your expense, but such attendance is not mandatory.

16. May I speak at the hearing?

If you are a member of the Settlement Class and you have filed a timely objection, if you wish to speak at the Fairness Hearing, you must state in your objection your intention to do so, and must identify any witnesses you intend to call or evidence you intend to present.

The Fairness Hearing may be rescheduled by the District Court without further notice to the Class. If you wish to attend the Fairness Hearing, you should confirm the date and time with Class Counsel.

IF YOU DO NOTHING

17. What happens if I do nothing at all?

If you do nothing and you are a Settlement Class member, you will participate in the settlement as described above in this notice if the settlement is approved, and you will be deemed to have released all Released Claims against all of the Releasees.

GETTING MORE INFORMATION

18. How do I get more information?

This notice summarizes the proposed settlement. Full details about the settlement are in the Settlement Agreement. You may obtain a copy of the Settlement Agreement by making a written request to a member of Class Counsel listed above. Copies of the Settlement Agreement, as well as the motion seeking preliminary approval of the Settlement Agreement, and the Preliminary Approval Order, may also be viewed at www.hbsslaw.com

Plaintiffs' Class Counsel have established a toll-free phone number to receive your comments and questions, 888-381-2889, and may also be contacted via email at genessa@hbsslaw.com.

DATED: __________, 2011. By Order of the Court

Exhibit 2

THE HONORABLE BENJAMIN H. SETTLE

UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF WASHINGTON
AT TACOMA

SANDI WILSON and SYNTHIA LISI, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, v. VENTURE FINANCIAL GROUP, INC., KEN F. PARSONS, SR., JAMES F. ARNESON, KEITH W. BREWE, LOWELL E. BRIDGES, LINDA BUCKNER, PATRICK L. MARTIN, LARRY J. SCHORNO, JEWELL C. MANSPEAKER, A. RICHARD PANOWICZ, CATHERINE J. MOSBY, SANDRA L. SAGER, and PATRICIA A. GRAVES, Defendants.	No. 09-cv-05768 BHS **[PROPOSED] FINDINGS AND ORDER PRELIMINARILY APPROVING PROPOSED SETTLEMENT, PRELIMINARILY CERTIFYING SETTLEMENT CLASS, APPROVING FORM AND DISSEMINATION OF CLASS NOTICE, AND SETTING DATE FOR HEARING ON FINAL APPROVAL**

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This Action involves claims for alleged violations of the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1001, et seq. ("ERISA"), with respect to the Venture Financial Group, Inc. Employee Stock Ownership Plan and Trust and the Venture Financial Group, Inc. KSOP (collectively the "Plans").[1]

Presented to the District Court for preliminary approval is a settlement between Plaintiffs and the Settling Defendants. The terms of the settlement are set out in a Settlement Agreement executed by the Settling Parties on December 22, 2010.

The Court has preliminarily considered the settlement to determine, among other things, whether it warrants the issuance of notice to members of the Settlement Class. Upon reviewing the Settlement Agreement, it is hereby ORDERED, ADJUDGED AND DECREED as follows:

1. Class Certification. The Court preliminarily finds that the requirements of the United States Constitution, the Federal Rules of Civil Procedure, the Local Rules of the United States District Court for the Western District of Washington, and any other applicable laws have been met as to the "Settlement Class" defined below, in that:

a. The Settlement Class is cohesive and well defined;

b. The members of the Settlement Class are reasonably ascertainable from records kept with respect to the Plan, and the members of the Settlement Class are so numerous that their joinder before the Court would be impracticable;

c. Based on allegations in the Complaint, the Court preliminarily finds that there are one or more questions of fact and law common to the Settlement Class;

d. Based on the terms of the Complaint and the proposed Settlement, the Court finds that the claims of the Named Plaintiffs are typical of the claims of the Settlement Class;

[1] The initial capitalization of terms used in this Preliminary Approval Order and not defined herein shall have the meanings assigned to them in the Settlement Agreement.

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e. The Named Plaintiffs will fairly and adequately protect the interests of the Settlement Class in that: (i) the interests of Named Plaintiffs in the nature of the alleged claims and the Settlement are consistent with those of the members of the Settlement Class; (ii) there appear to be no conflicts between or among Named Plaintiffs and the Settlement Class; and (iii) Named Plaintiffs and the members of the Settlement Class are represented by qualified counsel who are experienced in preparing and prosecuting large, complicated ERISA class actions;

f. Based on the Complaint, the prosecution of separate actions with individual members of the Settlement Class would create a risk of: (i) inconsistent or varying adjudications as to individual Settlement Class members that would establish incompatible standards of conduct for the parties opposing the claims asserted in the Action; or (ii) adjudications as to individual Settlement Class members that would, as a practical matter, be dispositive of the interests of the other Settlement Class members not parties to the adjudications, or substantially impair or impede the ability of those persons to protect their interests; and

2. Based on the findings set out in paragraph 1 above, the Court preliminarily certifies the following class (the "Settlement Class") for settlement purposes only under Fed. R. Civ. P. 23(b)(1):

> All Persons who were participants in or beneficiaries of the KSOP or ESOP and whose individual ESOP and KSOP accounts included investments in Company Stock during the Class Period; provided, however, that Defendants and their heirs, Successors-in-Interest, or assigns, to the extent such Persons acquire an interest held by Defendants, are excluded from the Settlement Class.

3. The Court preliminarily appoints Named Plaintiffs Sandra Wilson and Synthia Lisi as class representatives for the Settlement Class, and Hagens Berman Sobol Shapiro LLP as Counsel for the Settlement Class.

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4. Preliminary Findings Concerning Proposed Settlement. The Court preliminarily finds that the proposed Settlement should be approved as: (i) the result of serious, extensive arm's-length and non-collusive negotiations; (ii) fair, reasonable, and adequate; (iii) having no obvious deficiencies; (iv) not improperly granting preferential treatment to the Named Plaintiffs or segments of the Settlement Class; (v) falling within the range of possible approval; (vi) not a prohibited transaction under ERISA or exempt from ERISA's prohibited transaction rules under applicable law; and (vii) warranting notice to Settlement Class members of a formal fairness hearing, at which evidence may be presented in support of and in opposition to the proposed Settlement.

5. Fairness Hearing. A hearing is scheduled for ____________, 2011 at ________ (the "Fairness Hearing") to determine, among other things:

a. Whether the settlement should be finally approved as fair, reasonable, and adequate;

b. Whether the litigation should be dismissed with prejudice pursuant to the terms of the Settlement Agreement;

c. Whether the Class Notice and the means of dissemination provided for by the Settlement Agreement: (i) constituted the best practicable notice; (ii) constituted notice that was reasonably calculated, under the circumstances, to apprise members of the Settlement Class of the pendency of the litigation, their right to object to the Settlement, and their right to appear at the Fairness Hearing; (iii) was reasonable and constituted due, adequate, and sufficient notice to all Persons entitled to notice; and (iv) met all applicable requirements of the Federal Rules of Civil Procedure and any other applicable law;

d. Whether Class Counsel adequately represented the Settlement Class for purposes of entering into and implementing the Settlement Agreement;

e. Whether the Plan of Allocation should be approved;

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f. Whether the application for attorneys' fees and expenses filed by Class Counsel should be approved; and

g. Whether the Service Awards for the Named Plaintiffs should be approved.

6. Notices. A form of Class Notice is attached to the Settlement Agreement as Exhibit 1. The Court finds that the form fairly and adequately: (i) describes the terms and effect of the Settlement Agreement and of the settlement; (ii) notifies the Settlement Class concerning the proposed Plan of Allocation; (iii) notifies the Settlement Class that Class Counsel will seek a Service Award from the Settlement Fund for the Named Plaintiffs in an amount not to exceed $4,000 and will further seek attorneys' fees and expenses not to exceed 25% of the Settlement Fund; (iv) gives notice to the Settlement Class of the time and place of the Fairness Hearing; and (v) describes how the recipients of the Class Notice may object to any of the relief requested. The Court directs that, pursuant to the Settlement Agreement, Class Counsel shall:

- By no later than 30 days from the date of this Order, cause the Class Notice attached to the Settlement Agreement as Exhibit 1, with blanks completed and such non-substantive modifications as may be agreed upon by the Parties, to be sent to each member of the Settlement Class listed in the records of the Plans' record keeper. The notice shall be sent by first-class mail, postage prepaid, to the Settlement Class members' last known address.
- By no later than 30 days from the date of this Order, cause the Settlement Agreement with all of its exhibits and the Class Notice to be posted on Class Counsel's websites as identified in the Class Notice and served upon the U.S. Department of Labor together with a copy of this Order.
- By no later than 35 days prior to the Fairness Hearing, cause Class Counsel's Motion for Award of Attorneys' Fees and Expenses and Named Plaintiff Service Awards to be posted on Class Counsel's websites as identified in the Class Notice.
- At or before the Fairness Hearing, file with the Court a proof of timely compliance with the foregoing requirements.

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7. Objections to Settlement. Any member of the Settlement Class or representative of the U.S. Department of Labor who wishes to object to the fairness, reasonableness, or adequacy of the settlement, to the Plan of Allocation, to any term of the Settlement Agreement, to the proposed award of attorneys' fees and expenses, or to any request for compensation for the Named Plaintiffs, may file an objection. An objector must file with the Court a statement of his, her or its objections, specifying the reasons for each objection, including any legal support or evidence that the objector wishes to bring to the Court's attention. The objector must also mail the objection and all supporting law and evidence to Class Counsel and to Defendants' Counsel. The addresses for filing objections with the Court and service on counsel are as follows:

To the Court:

Clerk of the Court
U.S. District Court for the Western District of Washington
Union Station Courthouse
1717 Pacific Ave.
Tacoma, WA 98402-3200

To Class Counsel:

Andrew M. Volk
HAGENS BERMAN SOBOL SHAPIRO LLP
1918 Eighth Avenue, Suite 3300
Seattle, Washington 98101

To Settling Defendants' Counsel:

Nicole A. Diller
MORGAN LEWIS & BOCKIUS LLP
One Market, Spear Street Tower
San Francisco, CA 94114

The objector or his, her or its counsel (if any) must effect service of the objection on counsel listed above and file it with the Court so that it is received by no later than 15 days prior to the Fairness Hearing. If an objector hires an attorney to object pursuant to this paragraph, the attorney must both effect service of a notice of appearance on counsel listed above and file it with the Court by no later than 15 days prior to the Fairness Hearing. Except for good cause shown, any member of the Settlement Class or other person who does not timely file and serve a

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written objection complying with the terms of this paragraph shall be deemed to have waived, and shall be foreclosed from raising, any objection to the settlement, and any untimely objection shall be barred.

8. Appearance at Fairness Hearing. Any objector who files and serves a timely, written objection may appear at the Fairness Hearing either in person or through counsel retained at the objector's expense. Objectors or their attorneys intending to appear at the Fairness Hearing must effect service of a notice of intention to appear setting forth the name, address, and telephone number of the objector (and, if applicable, the name, address, and telephone number of the objector's attorney) on Class Counsel and on Defendants' Counsel (at the addresses set out above). The objector must also file the notice of intention to appear with the Court by no later than 15 days prior to the Fairness Hearing. Any objector who does not timely file and serve a notice of intention to appear in accordance with this paragraph shall not be permitted to appear at the Fairness Hearing, except for good cause shown.

9. Service of Papers. If it appears that any objections were not properly served, Defendants' Counsel and Class Counsel shall promptly furnish each other with copies of any and all such objections that come into their possession.

10. Fee Petition. Class Counsel shall file an application for attorneys' fees and expenses no later than 35 days prior to the proposed Fairness Hearing.

11. Injunction. Pending the final determination of the fairness, reasonableness and adequacy of the proposed Settlement, all members of the Settlement Class are enjoined from instituting or commencing any action against Defendants based on the Released Claims, and all proceedings in this action, except those related to approval of the Settlement, are stayed.

12. Termination of Settlement. This Order shall become void and shall be without prejudice to the rights of the Parties, all of whom shall be restored to their respective positions existing as of November 22, 2010 pursuant to Section 11.2.1 of the Settlement Agreement, if the settlement is terminated in accordance with the Settlement Agreement or does not receive final

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approval. In such event, Section 11 of the Settlement Agreement shall govern the rights of the Parties.

14. Use of Order. This Order is entered in compromise of disputed claims and does not reflect admissions of liability of any kind, whether legal or factual by the Settling Defendants. The Settling Defendants specifically deny any liability or wrongdoing, believe they will prevail in the event of trial, but settle for the purpose of avoiding the cost and inefficiency inherent in further litigation. Plaintiffs specifically believe that Defendants committed serious fiduciary breaches and that Plaintiffs would have a good chance of prevailing in the event of trial, but settle in recognition of the inherent uncertainty of litigation and the dwindling insurance policy covering the Defendants' alleged liability in this case. Neither the fact nor the terms of this Order shall be construed or used as an admission, concession, or declaration by or against the Settling Defendants of any fault, wrongdoing, breach, or liability or as a waiver by any Party of any arguments, defenses, or claims he, she, or it may have, including but not limited to any objections by Defendants to class certification in the event that the Settlement Agreement is terminated or not given final approval.

15. Continuance of Hearing. The Court may in its discretion continue the Fairness Hearing without further written notice.

DATED this ____ day of ________________, 2011.

____
Honorable Benjamin H. Settle
United States District Court Judge

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Presented by:

HAGENS BERMAN SOBOL SHAPIRO LLP

By: s/ Andrew M. Volk

Steve W. Berman, WSBA #12536
Andrew M. Volk, WSBA #27639
1918 Eighth Avenue, Suite 3300
Seattle, Washington 98101
Telephone: (206) 623-7292
Facsimile: (206) 623-0594
Counsel for Plaintiffs

Exhibit 3

THE HONORABLE BENJAMIN H. SETTLE

UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF WASHINGTON
AT TACOMA

SANDI WILSON and SYNTHIA LISI, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, v. VENTURE FINANCIAL GROUP, INC., KEN F. PARSONS, SR., JAMES F. ARNESON, KEITH W. BREWE, LOWELL E. BRIDGES, LINDA BUCKNER, PATRICK L. MARTIN, LARRY J. SCHORNO, JEWELL C. MANSPEAKER, A. RICHARD PANOWICZ, CATHERINE J. MOSBY, SANDRA L. SAGER, and PATRICIA A. GRAVES, Defendants.	No. 09-cv-05768 BHS **[PROPOSED] FINAL ORDER AND JUDGMENT**

This Action involves claims for alleged violations of the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1001, et seq. ("ERISA"), with respect to the Venture Financial Group, Inc. ESOP and KSOP (collectively the "Plans").[1]

This matter came before the Court for a hearing pursuant to the Preliminary Approval Order of this Court entered on ____________________, 2011, on the application of the Parties for

[1] The initial capitalization of terms, and in the case of the ESOP and KSOP, the capitalization of terms, used in this Final Order and Judgment and not defined herein shall have the meanings assigned to them in the Settlement Agreement.

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approval of the settlement set forth in the Class Action Settlement Agreement (the "Settlement Agreement"), executed on December 22, 2010 and filed with the Court on December 22, 2010.

Before the Court are: (1) Named Plaintiffs' Motion for Final Approval of ERISA Class Action Settlement, for Settlement Class Certification, and for approval of Plan of Allocation ("Final Approval Motion"); and, (2) Class Counsel's Motion for Award of Attorneys' Fees and Expenses and Named Plaintiff Service Awards ("Fee and Expense Motion").

The Court has received declarations attesting to the mailing of the Class Notice in accordance with the Preliminary Approval Order;

Due and adequate notice has been given to the Settlement Class as required in the Preliminary Approval Order, and the Court has considered all papers filed and proceedings in this case, and is otherwise fully informed in the premises. IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. This Court has jurisdiction over the subject matter of this action and over all Parties to the action, including all members of the Settlement Class, pursuant to 28 U.S.C. § 1331 and 29 U.S.C. § 1132(e).

2. On ____________________, 2011, __________copies of the Class Notice were mailed to Settlement Class members.

4. In accordance with the Court's Preliminary Approval Order, the Notice and Settlement Agreement were posted on Class Counsel's website on _______________.

5. The Class Notice fully informed Settlement Class members of their rights with respect to the settlement, including the right to object to the settlement, and of Class Counsel's application for an award of attorneys' fees, reimbursement of expenses, and for the payment of Service Awards to the Named Plaintiffs, all from the Settlement Fund.

6. The Class Notice met the statutory requirements of notice under the circumstances, including the individual notice to all members of the Settlement Class, and fully

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satisfied the requirements of Federal Rule of Civil Procedure 23 and the requirement of due process.

7. The Plans were terminated in November of 2009 and all of the Plans' assets were distributed subsequent to its termination.

8. Notice of the Settlement and a copy of the Settlement Agreement were served on the US Department of Labor on _________, and the US Department of Labor has had an opportunity to object to the settlement and be heard in this Court.

9. This action and all claims asserted in it, as well as all of the Released Claims, are dismissed with prejudice as to the Named Plaintiffs, the Settlement Class members, and the Plans, and as against the Releasees. The Parties are to bear their own costs, except as otherwise provided in the Settlement Agreement.

10. The Court finds that the settlement is fair, reasonable, and adequate as to each member of the Settlement Class and was reached through vigorous arms length negotiation and is not the product of collusion among the parties or their counsel. Accordingly, the Court also finds that the terms of the settlement are fair, reasonable, and adequate as to the Plan and no less favorable to the plan than comparable arms-length terms and conditions that would have been agreed to by unrelated parties under similar circumstances, and that the settlement is not part of an agreement, arrangement, or understanding designed to benefit a party in interest. Accordingly, the settlement does not constitute a nonexempt prohibited transaction within the meaning of ERISA §§406(a) or (b).

11. The settlement is finally approved in all respects. The Parties are directed to implement the settlement in accordance with the terms and conditions of the Settlement Agreement. The Action is dismissed on the merits with prejudice. This dismissal shall and does include any and all claims that were asserted in the Complaint or are expressly covered by the Settlement Agreement. The Court further finds that, in order to render the settlement fully

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effective as to the Settling Defendants, the Plans' claims that were asserted by the Plaintiffs in this action must be extinguished and dismissed with prejudice, and the Court so orders.

12. Named Plaintiffs and each of member of the Settlement Class, individually and on behalf of the Plans and any other Person that claims or might claim through or on behalf of or for the benefit of the foregoing, are deemed to have, and by operation of this Order and Judgment shall have, absolutely and unconditionally released and forever discharged the Releasees from the Released Claims.

13. All members of the Settlement Class are hereby forever barred and enjoined from prosecuting the Released Claims against Releasees, either derivatively or on behalf of themselves, or through any person purporting to act on their behalf or purporting to assert a Released Claim under or through them, in any forum, action or proceeding of any kind.

14. Each of the Settling Defendants, by operation of this Order and Judgment, are hereby forever barred and enjoined from prosecuting against the Named Plaintiffs, the Settlement Class, and Class Counsel any and all claims relating to the institution or prosecution of the ERISA Litigation as well as any and all claims for contribution, indemnification, or any other claims relating to payment of the Class Settlement Amount.

15. The Plan of Allocation is approved as fair and reasonable. Any modification or change in the Plan of Allocation that may hereafter be approved shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment.

16 The Court hereby appoints Nicholas L. Saakvitne as the Independent Fiduciary for the purposes of effectuating the distribution of the Net Settlement Amount consistent with the Plan of Allocation. Mr. Saakvitne shall: (i) oversee the resuscitation of the Plan(s); (ii) perform all tasks as may be necessary establish or maintain the qualified tax status of the revived Plan(s); (iii) serve as Trustee for the Trust of the resuscitated Plan(s) which shall be funded with the Net Settlement Amount; (iv) oversee the distribution to the Plans' participants or their successors-in-interest; (iv) properly terminate the resuscitated Plan(s); and (v) perform such other tasks as he

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may deem necessary to carry out the Plan of Allocation or to protect the interests of the Plans and their participants. Mr. Saakvitne's reasonable fee and costs shall be paid out of the Settlement Fund.

17. Class Counsel is hereby awarded attorneys' fees in the amount of ____% of the Settlement Fund, which the Court finds to be fair and reasonable, and $__________________ in reimbursement of Class Counsel's reasonable expenses incurred in prosecuting the action. The attorneys' fees and expenses so awarded shall be paid from the Class Settlement Amount pursuant to the terms of the Settlement Agreement, with interest on such amounts from the date the Class Settlement Amount was funded to the date of payment at the same net rate that the Class Settlement Amount earns. All fees and expenses paid to Class Counsel shall be paid pursuant to the timing requirements described in the Settlement Agreement.

18. The Named Plaintiffs are each hereby awarded a Service Award in the amount of $_______________ to be paid from the Class Settlement Amount.

19. In making this award of attorneys' fees and reimbursement of expenses, and the Service Awards to the Named Plaintiffs, the Court has considered and found that:

a) The settlement achieved as a result of the efforts of Class Counsel has created a fund of $750,000 in cash that is already on deposit, plus interest thereon, and will benefit the Settlement Class members;

b) Class Counsel have conducted the litigation and achieved the settlement with skill, perseverance, and diligent advocacy;

c) The action involves complex factual and legal issues and, in the absence of a settlement, would involve further lengthy proceedings with uncertain resolution of the complex factual and legal issues;

d) Had Class Counsel not achieved the settlement, there would remain a significant risk that the Named Plaintiffs and the Settlement Class may have recovered less or nothing from the Defendants;

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e) The amount of attorneys' fees awarded and expenses reimbursed from the Settlement Fund are consistent with awards in similar cases; and

f) The Named Plaintiffs rendered valuable service to the Plan and to Settlement Class members.

20. Neither the Settlement Agreement nor the terms of the Settlement Agreement shall be offered or received in any action or proceeding for any purposes, except (i) in an action or proceeding arising under the Settlement Agreement or arising out of or relating to the Preliminary Approval Order or the Final Order, or (ii) in any action or proceeding where the releases provided pursuant to the Settlement Agreement or the terms of this Order may serve as a bar to recovery.

21. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over: (a) implementation of the settlement and any award or distribution of the Settlement Fund, including interest earned thereon; (b) disposition of the Settlement Fund; (c) hearing and determining applications for attorneys' fees, costs, interest and reimbursement of expenses in the action; and (d) all Parties hereto for the purpose of construing, enforcing and administering the settlement and all actions that are or may be barred by this Order.

22. This Order and Judgment shall not be considered or used as an admission, concession, or declaration by or against Defendants of any fault, wrongdoing, breach or liability and this Court makes no such finding or determination. Neither the Settlement Agreement nor any of the proceedings in connection therewith shall be offered or received in evidence for any purpose, except that the Defendants may submit this Final Order and Judgment to support a claim of *res judicata*, collateral estoppel, release or any theory of claim or issue preclusion, or the Parties may submit this Final Order and Judgment in any action to enforce the injunctive provisions of Paragraphs 13 and 14 of this Order.

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23. In the event that the settlement does not become effective in accordance with the terms of the Settlement Agreement, then this Judgment shall be rendered null and void to the extent provided by and in accordance with the Settlement Agreement and shall be vacated, and in such event, all orders entered and releases delivered shall be void to the extent provided by and in accordance with the Settlement Agreement.

24. The Court directs the Clerk to enter final Judgment herein.

DATED this ____ day of ________________, 2011.

____
Honorable Benjamin H. Settle
United States District Court Judge

Presented by:

HAGENS BERMAN SOBOL SHAPIRO LLP

By: s/ Andrew M. Volk

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